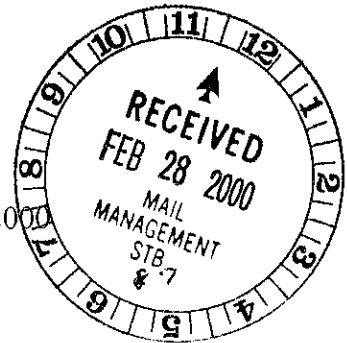


LUSCAR LTD.



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10235 - 101 STREET,
EDMONTON, ALBERTA,
CANADA T5J 3G1
PHONE: (780) 420-5820
FAX: (780) 420-5847

GORDON D. ULRICH
President and
Chief Executive Officer



February 25, 2000

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Office of the Secretary
Case Control Unit
Attn: STB Ex Parte No. 582
1925 K Street, N.W.
Washington, D.C. 20423-0001

ENTERED
Office of the Secretary

FEB 29 2000

Part of
Public Record

Dear Sir:

Luscar Ltd. is Canada's leading coal producer and one of the largest suppliers of coal in North America. We operate 11 coal mines in the provinces of British Columbia, Alberta and Saskatchewan with annual deliveries exceeding 40 million tonnes. Our 6 export and North American market mines are dependent on an efficient and effective rail transportation network to move in order of 11 million tonnes of metallurgical and thermal coals annually. Canadian National provides direct rail service to our 4 central Alberta mines as well as our Bienfait, Saskatchewan mine supplying unit train service to 3 west coast coal export terminals and the Great Lakes link at Thunder Bay, Ontario. Luscar remains one of Canadian National's largest accounts in terms of annual revenues with freight expenditures on their network exceeding CDN\$100 million.

The landscape of the North American rail environment has undergone significant change in recent years with several key, strategic mergers having taken place in an effort to combine mass and provide operating efficiencies. Luscar remains convinced that the success of the Canadian National - Illinois Central merger has yielded sufficient efficiencies to provide our western Canadian mining operations with much needed support to remain competitive in our global markets.

The proposed combination of the Burlington Northern Santa Fe and Canadian National should serve to further enhance operating efficiencies and the overall cost structures of the rail system we rely upon. This improved transportation infrastructure resulting from service efficiencies, better equipment utilization, economies of scale and more effective modal

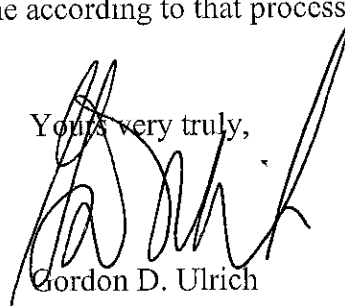
competition should enable Canadian National to continue their support of our export and North American marketing efforts. With transportation costs representing more than 30% of our delivered price structure it is critical that our delivery chain develop strategic and innovative solutions to drive costs out of the system.

We anticipate that the end to end nature of the proposed combined CN/BNSF network will provide for a relatively smooth transition and should be accomplished with minimal delay. The success associated with the CN-IC integration should also provide this combination with enough experience to overcome any significant and unforeseen operating pitfalls.

We believe that the proposed combination of Canadian National and the Burlington Northern Santa Fe will provide sufficient benefits to Luscar in the form of continued support to our delivered costs and therefore we support the application.

With regards to Ex Parte 582 and the issues to be discussed on March 8, 2000 we encourage the Surface Transportation Board to proceed with their review in a timely manner. The board has a comprehensive process to evaluate railroad transactions and protect the public interest and the evaluation of this combination should be done according to that process.

Yours very truly,

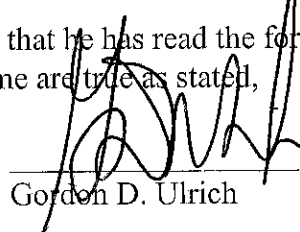


Gordon D. Ulrich

Verification

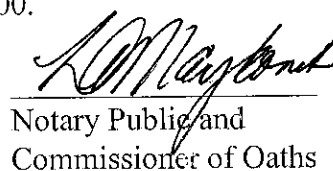
Province of Alberta, Canada

Gordon D. Ulrich, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated,



Gordon D. Ulrich

Subscribed and sworn to before me this 24th day of 02/2000.



Notary Public and
Commissioner of Oaths

My Commission Expires:

N/A